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30 APR 1980

Pfpts
Audit Hqrs

MEMORANDUM FOR: Chief, Audit Staff

VIA: Inspector General

FROM: James H. McDonald
Director of LogisticsSUBJECT: Report of Audit, Supply Division
for the period 1 November 1976 -
31 August 1979REFERENCE: Memo for D/L from Chief, Audit Staff
dtd 29 Feb 1980, subj: same as above
(OL 0 0986)

1. The subject report contains recommendations regarding operations at the [redacted]. The following actions have been taken in response to the recommendations:

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a. Recommendation #1: Maintain records for accountable property in conformance with the provisions of Headquarters Handbook [redacted]

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Action: The [redacted] records for accountable property are now being maintained in conformance with Headquarters Handbook [redacted]. We will ensure that all future accountable property transactions will be recorded on material record cards and will be properly documented.

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b. Recommendation #2: Ensure that the accountable officer receives documentation for transactions affecting non-expendable property.

Action: All branches within the Depot have been instructed to forward such transactions to the Building Supply Officer (BSO). In addition, the BSO has established a procedure to followup on all outstanding transactions.

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OL 0 1606a

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c. Recommendation#3: Record on accountable records
nonexpendable property
acquired from excess listings.

Action: All items that are acquired from excess
listings are being assigned a fair
market value. Those items priced in
excess of \$300 are being recorded on
accountable records.

d. Recommendation #4: Advise field installations
to establish realistic delivery
dates to ensure use of the
most economical method of
transportation.

Action: The establishment of realistic delivery
dates will be addressed briefly in the
new revision of [redacted] Supply Operations. 25x
A book dispatch will be prepared in an
effort to treat the subject more thoroughly.
A requisition priority system will be a
consideration in the Logistics Material
Management System study which is currently
underway in the office. Until such time
as the study is completed, it is not
expected that much can be done to control
delivery dates.

e. Recommendation#5: Initiate disposal action for
excess chemicals in storage.

Action: All but approximately 150 pounds of the
excess chemicals have been identified
and packed for the next scheduled ship-
ment to [redacted] Chief, Supply
Division has prepared a memorandum for
the Director of Technical Service
requesting that OTS either provide
written identification of the remaining
chemicals or repossess them.

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f. Recommendation #6: Limit Type II recordkeeping
and procedural steps to the
requirements of Headquarters
Handbook 25X

Recommendation #7: Ensure that all nonexpendable
Agency property in depot stock
is recorded on Type II records.

Action: Both items impact upon 25X
supply operations which, although con-
verted from Type I to Type II in 1975,
have remained basically unchanged. 25X
has developed an objective which addresses
this issue. Headquarters will dispatch
a team of qualified instructors to 25X
to assist in this regard, and it is
expected that both recommendations will
be implemented by the end of CY 1980.

g. Recommendation #8: Eliminate records for expend-
able supplies and establish
a self-service system for
supplying offices. 25X

Action: Since the time factor for implementing
this recommendation is not critical and
the supplies in question are part of
the overall supply function, this item
has been included in the normal sequence
of events on the action plan pertaining
to the Type II project. Therefore,
action should be completed by 31 December
1980.

h. Recommendation #9: Retire or destroy unneeded
records as appropriate.

Action: Due to the fact that the records holdings
at this installation are massive and
many of them have not been purged for
over ten years, this item has also been
included in our MBO program. Our
estimated completion date for this
project is 30 June 1980. 25X

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2. This office will continue to monitor the progress of
action taken on the recommendations. Please contact the Plans
and Programs Staff, OL, extension [] if further information
is needed. []

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James H. McDonald

cc: IG

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